



Medicaid Overview

November 2, 2021



What is Medicaid?

- Provides health care, long term care and other services through a federal-state partnership
- Governed by the Medicaid State Plan which is a contract with the federal government outlining who is served and what services are covered
 - Each State Plan is different - comparisons between states can be difficult
- Separate from Medicare
 - Medicare is for individuals 65 years and older for all incomes, and for people with disabilities
 - Medicare is 100% federally funded and administered at the federal level

What is Children's Health Insurance Program (CHIP)?

- Unlike Medicaid, CHIP (Title XXI) is a block grant with a fixed amount of annual federal funds provided to each state
- South Dakota CHIP and Medicaid programs mirror each other (i.e., same services and programs)
- Federal share averages 13% - 15% higher than for Medicaid
- Generally speaking, CHIP provides health care for children whose family income is too high to qualify for Medicaid

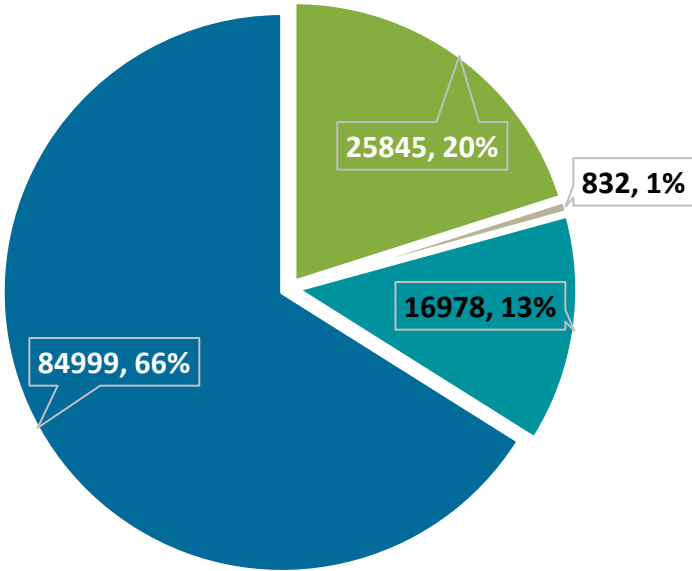
Who is covered by Medicaid?

- States are required to cover certain “mandatory” groups
 - Children under 138% Federal Poverty Level (FPL)
 - Pregnant women under 138% FPL
 - Elderly and disabled on SSI - also called Aged, Blind and Disabled
 - Low-income families
- South Dakota has a conservative program with income guidelines at federal minimums



Who is covered by Medicaid?

**SFY 2021: 128,654
Average Monthly Eligible**



- Aged/Blind/Disabled Adults
- Pregnant Women
- Low Income Family (Adults)
- Children

2021 Calendar Year Federal Poverty Guidelines

2021 Calendar Year Federal Poverty Guidelines Monthly Amount at Various Percentage Levels				
Family Size	Low Income Families	138%	182%	209%
1	\$617	\$1,482	\$1,954	\$2,244
2	\$776	\$2,004	\$2,643	\$3,034
3	\$888	\$2,526	\$3,331	\$3,825
4	\$995	\$3,048	\$4,020	\$4,616

South Dakota:	Low Income Families	52%
	Aged Blind Disabled (single adult)	74%
	Medicaid (pregnant Women)	138%
	Medicaid Children	182%
	Children's Health Insurance Program CHIP	209%

What services are covered by Medicaid?

States are required to cover certain mandatory services. South Dakota also covers some “optional” services.

Mandatory services:

- Inpatient and outpatient hospital
- Nursing homes
- Physician
- Home health
- Federal Qualified Health Centers/Rural Health Centers
- Medically necessary care for individuals under age 21

Optional services:

- Physician assistants, psychologists and independent mental health
- Intermediate Care Facilities for Individuals with Intellectual and Developmental Disabilities(ICF/IDD)
- Podiatry, optometry, chiropractic, dental, durable medical equipment
- Prescription drugs
- Physical, occupational, speech therapy
- Hospice, personal care, and nursing services
- Health Home Program

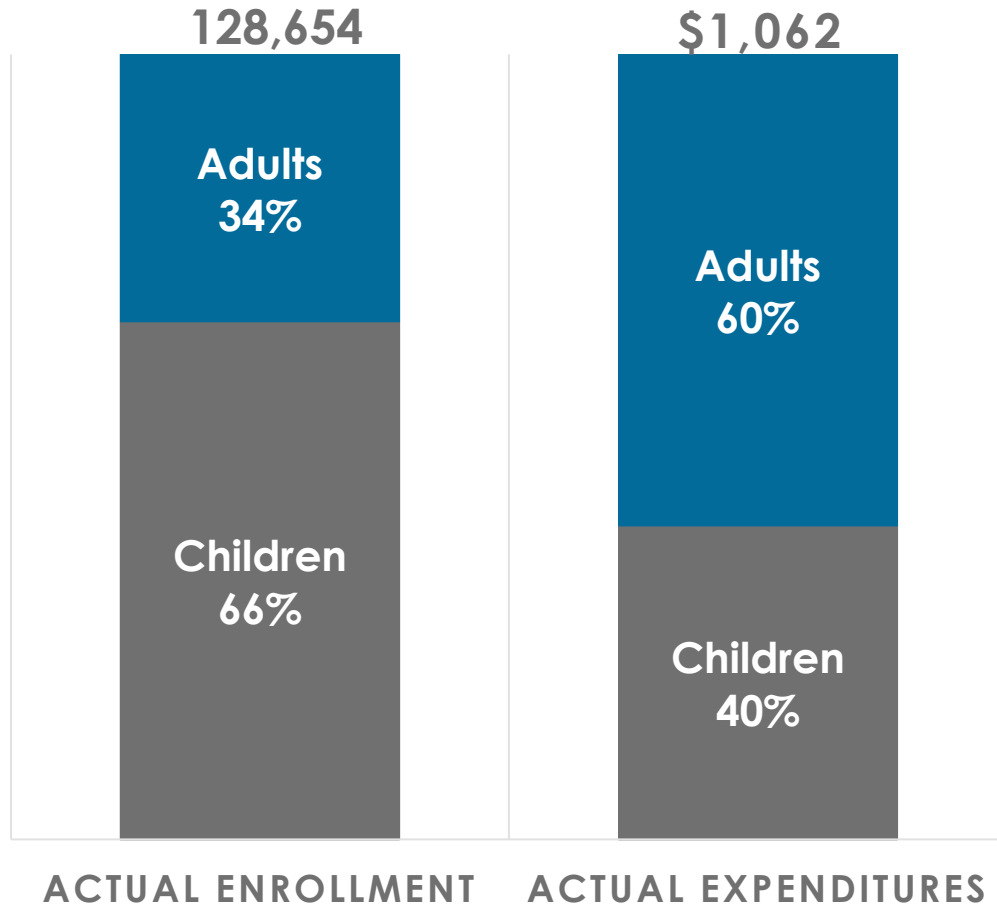
How is Medicaid funded?

- FMAP- Federal Medical Assistance Percentage
 - Determines how much the federal government pays for Medicaid services
 - Most administrative services are paid at 50% state match
 - FMAP for health care services is based on the last three years of personal income, compared to other states
 - When SD's income goes up compared to other states, the state pays more, and the federal government pays less
- FY21 FMAP: For every dollar of Medicaid expenditures, the state will pay about 42 cents
- Every 1% change in FMAP equals about \$9.5 million general funds

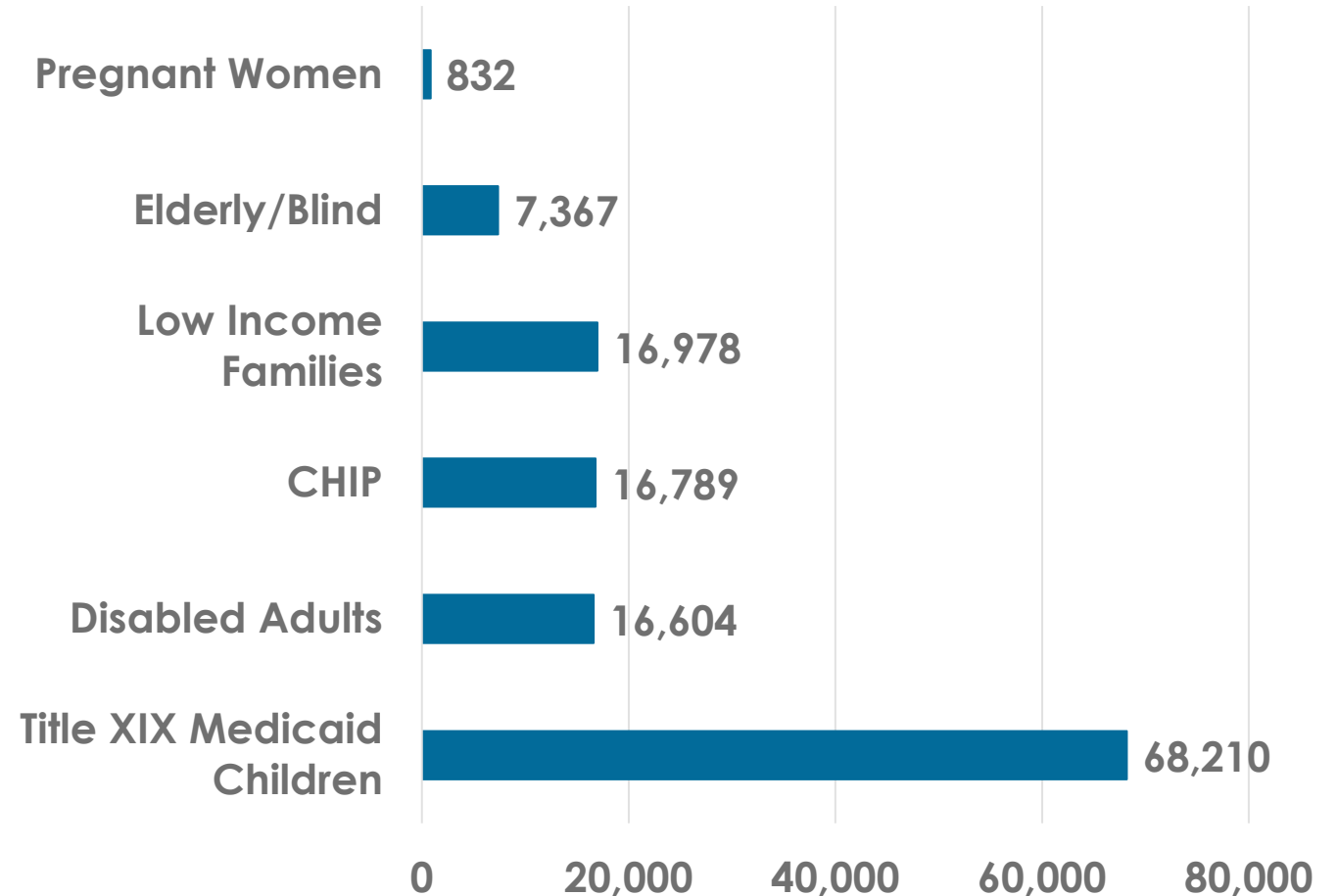


Medicaid Expenditures & Enrollment

SFY 2021 Medicaid Enrollment and Expenditures



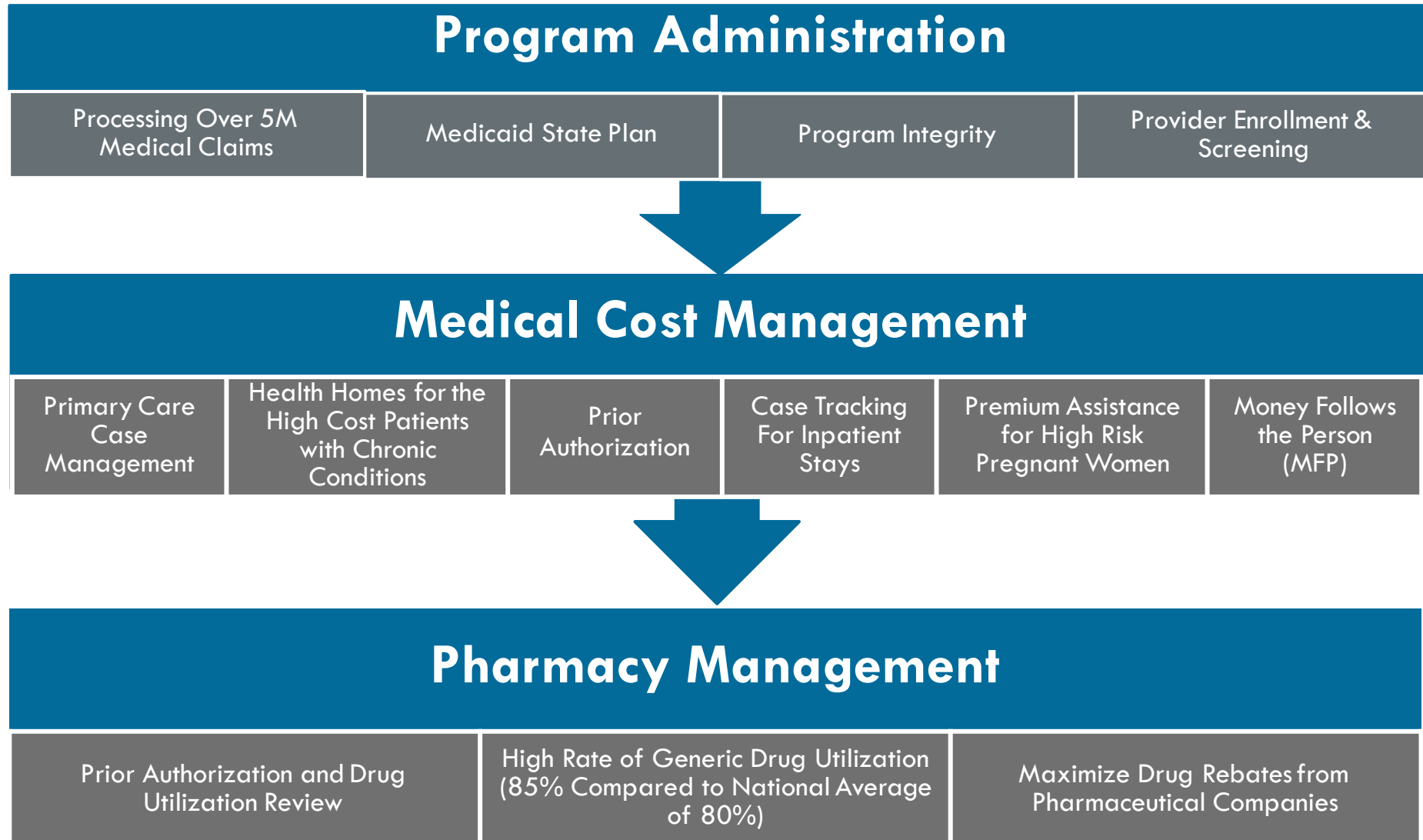
SFY 2020 Medicaid Participation by Eligibility Category



Majority of Expenses by Provider

Provider	SF2020 Actuals (Millions)	% of Total
Hospital	\$247.58	25.8%
Nursing Homes/ Assisted Living Providers/Hospice	\$168.42	17.5%
DHS Community Support Providers	\$164.76	17.1%
Physicians, Independent Practitioners and Clinics	\$120.13	12.5%
Indian Health Services	\$67.93	7.1%
Pharmacies	\$37.67	3.9%
South Dakota Developmental Center and Human Services Center	\$32.07	3.3%
Psychiatric Residential Youth Care Providers	\$30.88	3.2%
In-home Service Providers for the Elderly and Skilled Home Health	\$23.82	2.5%
Dentists	\$22.30	2.3%
Substance Use and Mental Health Community Based Providers	\$21.96	2.3%
Durable Medical Equipment Providers	\$12.54	1.3%
Emergency Transportation	\$11.83	1.2%
Total	\$961.89	

Program Management



Program Cost Management

- Primary Care Case Management (PCCM) Program
 - 80% of SD Medicaid's population is required to participate including children, low-income families, pregnant women and certain disabled recipients
- Health Home Program
 - Comprised of about 6,000 people on average, with high-cost chronic conditions and risk factors
- Patient Responsibility (Copayments)
 - Subject to specific federal guidelines

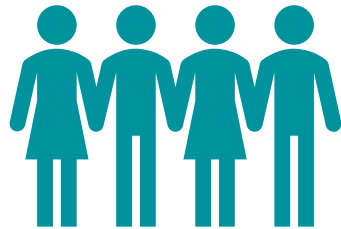
Third Party Liability and Fraud Prevention

- Collected \$10.3 million in SFY21
 - < 1% of collections are fraud related
 - General fund share of collections deposited to the state general fund
 - Federal share returned to the federal government
- Medicaid Fraud Control Unit
 - SFY21 recoveries: \$757,079
- South Dakota is one of a handful of states that obtained an exemption from the Medicaid Recovery Audit review process due to the low prevalence of provider fraud

Medicaid Waivers


Medicaid Waivers

- Using a waiver, states can change some basic rules of Medicaid related to things like access to services, level of care requirements, services provided, or populations served
- Waivers are often directed at groups of people who might need extra services, like people with disabilities or older adults to keep them out of institutions
- Waivers also must be “budget neutral” (i.e., not projected to cost more than status quo); this requirement significantly limits waiver awards




Medicaid Waivers

Section 1115 Medicaid waivers provide states an opportunity to test new and existing ways to deliver and pay for health care services in Medicaid



➤ Section 1332 Waivers allow states to waive certain provisions of the Affordable Care Act such as requirements related to the essential health benefit, metal tiers of coverage (bronze, silver, gold)



➤ Section 1915(c) Waivers offer flexibility to provide home and community-based services to enrollees who would otherwise need institutional care

- The Department of Human Services administers four Home and Community-based Services (HCBS) 1915(c) waivers

Developmental Disabilities

- The Division of Developmental Disabilities administers two 1915(c) HCBS Medicaid Waiver Programs
 - CHOICES
 - Family Support 360
- The CHOICES and Family Support 360 waivers authorize the State to use Medicaid funding to support people to live in the community rather than in an intermediate care facility (i.e., South Dakota Developmental Center)
- Eligibility
 - An individual must have an intellectual or developmental disability defined in law
 - Ability to function independently is substantially limited and disability occurs before age 22

Assistive Daily Living Services Waiver

- The Division of Rehabilitation Services administers one HCBS waiver, the Assistive Daily Living Services (ADLS) waiver. The ADLS waiver provides personal attendant care and other services to adults with quadriplegia to live independently in their own home
- Eligibility
 - Quadriplegia
 - Over 18 years of age and able to manage and direct own care
 - Requires assistance with activities of daily living

HOPE Waiver

- The Division of Long Term Services and Supports administers one HCBS waiver which is the HOPE (Home and Community-based Options and Person Centered Excellence) Waiver
 - The HOPE waiver provides opportunities to enable older South Dakotans and adults who are disabled to live independent, meaningful, and dignified lives while maintaining close family and community ties by promoting long term services and supports to prevent or delay premature or inappropriate institutionalization
- Eligibility
 - Adults aged 65 and older or aged 18 and older with a qualifying disability who meet a nursing facility level of care
 - Individuals must demonstrate a need for services and supports through a standard assessment and meet financial eligibility

Medicaid Waivers

- Section 1115 Research and Demonstration Waivers
 - Provide flexibility for states to test new or existing approaches to financing and delivering Medicaid and CHIP
 - In May 2018, South Dakota was approved for an 1115 waiver. This was submitted at the request of CMS to align regulatory authority from the Medicaid State Plan to waiver authority for youth aging out of Foster Care
 - In Waiver Year 2 (May 1, 2019 - April 30, 2020) there were seven enrolled individuals and total expenditures were \$26,493
 - Career Connector – Work Component for Medicaid
 - Application was submitted to CMS in August 2018 and is under review by CMS

South Dakota *Money Follows the Person (MFP)*



MFP helps residents of long-term care facilities successfully return to their own home and communities. MFP provides one-time transitional supports not typically covered by South Dakota Medicaid but are otherwise barriers in returning home. It connects you with the proper HCBS waiver services so that you can receive many of the services you need right in your community and to keep living there, where you choose.

Money Follows the Person (MFP)

Helps People . . .

- Living in nursing homes, hospitals, or intermediate care facilities *successfully* return to the community
- Find a place to live that meets their needs and the services to keep living there
- Identifies barriers to living on their own and provides *one-time supports* that aren't typically covered by Medicaid

Provided by . . .

- Federal funding that provides options for older adults and/or people with disabilities
- The Deficit Reduction Act in 2005 authorized MFP on a national level
- An extension of the Affordable Care Act in 2010 opened the door for South Dakota to begin MFP in 2013
- The Medicaid Extenders Act of 2019 and the Consolidated Appropriations Acts of 20/21 have kept MFP going



REFERRAL

- Verify Eligibility for MFP & HCBS
- Assign appropriate regional MFP Transition Coordinator

INTAKE

- MFP Transition Coordinator contacts MFP participant / facility to schedule meeting
- Review MFP & assess needs
- Complete Questionnaire
- Sign Release of Information Form

PROCESS-

Service Coordination

- Identifies Transition Team Members
- Collaborate as necessary
- Verify Q Housing
- Assist participant as needed within MFP service areas
- Refer to HCBS Waiver Service
- Complete Quality of Life Survey prior to Transition

TRANSITION

- to qualified housing
 - Home
 - Apartment
 - Group Home with FOUR or Less Individuals

FOLLOW UP

- 365 Days post transition to receive MFP services
- Quality of Life Survey Repeated at 11 and 24 months

MFP Capacity Building

Supplemental Funding for **Money Follows the Person (MFP)**

- **September 2021, SD MFP was awarded \$5 million dollars – for up to five years to:**
 - Accelerate and expand HCBS capacity,
 - Strengthen focus on LTSS rebalancing
 - Support MFP with making meaningful progress
- **MFP Capacity Building activities include:**
 - Direct Service Worker recruitment and retention
 - Diversion strategies to avoid long-term care placements
 - SD Wise Elders Live Longer (SD W.E.L.L.)
 - SD Hospital to Home (SD H2H)
 - Increase Provider Capacities in determining appropriate payment methodologies

For further information,
please log on to:
<https://dss.sd.gov/mfp/>

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